

AHCCCS fact sheet: Medicaid and Proposition 204

Proposition 204 was approved by Arizona voters in 2000 and went into effect in 2001. The proposition made it possible for many more Arizonans to qualify for AHCCCS services.

WHO QUALIFIES

As a result of Proposition 204, eligibility for some AHCCCS categories was expanded, and some categories were added.

- Expanded: Eligibility related to expanded 1931 Temporary Assistance for Needy Families (TANF, formerly AFDC, commonly known as welfare) expanded from a monthly income limit of 32 percent of the Federal Poverty Level to 100 percent.* Eligibility related to SSI groups (Supplemental Security Income for blind, aged and disabled) expanded from 72 percent of the Federal Poverty Level to 100 percent.

Also under Prop. 204 changes, undocumented or non-qualified immigrants could qualify for Federal Emergency Services at the higher income limit made possible by the proposition, if they met the eligibility criteria for the 1931 TANF and SSI-related categories.

- Added: AHCCCS Care and MED (Medical Expense Deduction). Both categories include members who qualified under the old Medically Needy/Medically Indigent category. AHCCCS Care eligibility is at 100 percent FPL (it was 40 percent under MN/MI). MED eligibility is for people whose income exceeds the 100 percent limit but can use some medical bills for spend down to 40 percent of FPL to qualify.

ELIGIBILITY

The Arizona Department of Economic Security determines eligibility for most of the AHCCCS categories. AHCCCS and the Social Security Administration determine eligibility for groups related to Supplemental Security Income, KidsCare and some Federal Emergency Services.

An applicant must provide proof of income, other insurance and a Social Security Number or legal immigration documents. An applicant applying through MED spend down must provide proof of medical expenses.

Eligibility is reviewed every six months for MED and FES, and annually for AHCCCS Care.

An FES applicant is made eligible using the criteria for 1931 TANF and categories related to SSI (blind, aged or disabled).

All applicants must be Arizona residents.

ENROLLMENT AND DEMOGRAPHICS

Current Prop. 204 enrollment represents 21.4 percent of entire AHCCCS enrollment. Enrollment growth in calendar year 2004 was approximately 13.1 percent, but it slowed in December 2004. Projected growth for State Fiscal Year 2006 (beginning July 1, 2005) is 5.4 percent.** The demographics of the population is predominantly urban and ages 19 through 64.***

*Example: The Federal Poverty Level for a family of four is \$1,571 a month. The FPL changes every April.

** As of Jan. 1, 2005, Prop. 204 enrollment was 226,710.

*** As of Dec. 1, 2004, the population was 2.6 percent under age 19; 92 percent ages 19 through 64; and 5.4 percent 65 and over. 47.4 percent were male and 52.6 percent were female. 67.5 percent lived in Maricopa and Pima counties, and 32.6 percent lived in rural counties.



BACKGROUND

Prop. 204 expanded the definition of an eligible person under AHCCCS to include those with monthly incomes at or below 100 percent of the Federal Poverty Level.

To fund the expansion, the federal government allowed AHCCCS to use federal dollars for the expanded groups and for the new groups created from the previous state-funded MN/MI population. Tobacco litigation funds also helped pay for the costs.

AHCCCS began phasing in populations in April 2001 (the SSI expanded group) and other groups in July and October.

Beginning in December 2001, the federal government allowed AHCCCS to use unspent Title 21 funds (SCHIP, or KidsCare in Arizona) to cover childless adults related to Prop. 204 whose incomes were between 40 percent and 100 percent of the Federal Poverty Level.

BUDGET

	SFY 2004 actual	SFY 2005 projected*	SFY 2006 requested
Federal	\$ 807,694,500	\$ 942,357,700	\$ 1,053,475,100
State	\$ 300,441,000	\$ 405,027,900	\$ 481,841,300
Total	\$ 1,108,135,500	\$ 1,347,385,600	\$ 1,535,316,400

EXPENDITURES BY CLAIM FORM TYPE

10/1/02-9/30/03

Professional services	\$ 316,154,870	39.8%
Pharmacy	\$ 100,054,228	12.6%
Dental services	\$ 6,511,690	0.8%
Inpatient services	\$ 259,416,907	32.7%
Outpatient hospital services	\$ 105,455,792	13.3%
Long term care services	\$ 6,446,813	0.8%
Total:	\$ 794,040,300	100%

VALUE OF SERVING POPULATION

The economic value of serving the Prop. 204 population includes avoiding uncompensated care costs, especially by emergency rooms and inpatient hospitals; increasing dollars to support Arizona's health care economy; improving the health status of low-income adults who typically do not qualify under traditional Medicaid categories, thereby increasing their productivity; and assisting individuals to maintain financial stability and mitigate their inability to pay for basic needs.**

*For SFY 2005, it is estimated that those eligible under Prop. 204 will account for 23.4 percent of all AHCCCS expenditures and 21.4 percent of the AHCCCS population.

** As a result of Prop. 204, the state between FY 2002 and FY 2006 was able to save \$430 million more in general fund money that would have had to be spent on this group if federal matching funds were not available; generate \$3.8 billion in federal funds for the state (coverage costs that would have gone uncompensated); and serve 226,700 individuals as opposed to an estimated 18,900 under the old Medically Needy/Medically Indigent program.



AHCCCS

<http://www.ahcccs.state.az.us/site/>

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